

inevitable successions of combinations and strikes. One of the results of the independent action which has been made during recent years by the labouring classes has been higher wages, a second has been less work, and the third has been work of an inferior quality. The inevitable consequence has been that as capital has ceased to be productive, and that reason capitalists have ceased to invest in it in the same degree. The cost of production is more than the worth of it. Much of what was floating capital has in this way become fixed capital. Owners of money refuse to spend it on enterprises that yield no adequate return. To the investor this has involved the hoarding of capital, but to the artisan it has meant less work and smaller pay; to the community at large it has meant diminished consumption, and a lessened demand, both for the manufacture and for the raw material. This is the secret of the crisis that prevails in England.

A similar crisis prevails in Germany. The enormous expenditure on the army of that country has largely drained the supplies of commerce, and the five milliards of indemnity money which Germany received from France have led to all kinds of new and extravagant expenditure among the German people. One result of this has been a large demand for articles which Germany does not produce. Following this there has been of necessity a vast excess of imports over exports, which has meant any amount of money going out of the country, and little left for internal development. The inevitable result has been the failure of any number of houses and the throwing out of employment of any number of workmen. So far as this commercial crisis is the result of the destruction of credit, and the excesses of credit it will work on its own cure. The adjustment of the demands of the capitalist to those of the producer is, however, a more difficult and a more serious matter. But difficult as this adjustment may be, it will have to be accomplished, and there seems to be no way of accomplishing it but that of lowering the rate of wages, which amounts to the same thing, of lengthening the hours of labour. The capitalists as a body, as a matter of course, protest very loudly against this method of solving the problem, and already we are told of the formation of a labour confederation, composed of all the workmen in the building trades alone. Confederations cannot, however, interfere with the operation of social laws, which in the long run are found to be as inflexible as material laws. It is confidently asserted that unless the hours of labour are lengthened and its cost lessened, the trade of England must decline and disappear. During the present year," we are told, "all attempts of trades' unions to effect reduction of wages have been more or less defeated, and a decrease of employment has enabled the masters to get rid of the less efficient hands, and thus amend somewhat the circumstances of production." This method of curing the evils complained of will turn out to be a costly and an unpleasant one, but the lowering of the cost of labour will in all probability lead to the lowering of the cost of living, and thus if the workers are to be enabled to go to work. It is some satisfaction to find that at the Australian colonies have as yet suffered little from this economic crisis, that in the general commercial distrust our credit in the English market is unshaken, and that the inclemency of the weather in this colony during the last few months, with the general prosperity of the country, will unite to lessen the trouble that might otherwise have grown out of so great a fall in the price of our principal article of export.

Our last Mail Summary we commented upon the failure of an attempt to pass a vote of censure upon the Government as the chief event in the political history of the preceding month. We generally unsatisfactory condition of affairs in Parliament was also brought under the notice of our English readers. Since then the session has dragged the remainder of its long length along, until on Tuesday last it was mercifully brought to an end by prorogation. The end was at last reached, not by the dispatch of business, but the regular way, but by abandoning almost everything that was to come before the House, and this in the ignominious proceeding for which the Ministry that could command a considerable majority upon a question of confidence or want of confidence; but there was no escape from it. If the session had been protracted much longer, it would have been impossible to have recessed long enough to admit of reasonable preparation by the Ministry for the work of the next session, which must be opened some time within the present year. The last session was opened in November, and it was then thought by many that at so late a period it would be better to undertake little else than the passing of the estimates for 1876. As a matter of fact, having asside the Education Bill, which collapsed upon a technical informality, all the other measures introduced were of secondary importance; and yet in discussing them and the thousands and tens of other matters about which the House has amused itself, the session was prolonged until past the middle of August. Hence, with a recess of little more than two months' duration, we shall start again in November next under circumstances similar to those of last November, that is with a heavy weight of arrears of work off, and a bare choice between postponing necessary legislation, and leaving the estimates for 1877 to be passed when that year is half over.

Amongst the points surrendered by the Ministry were several projects of railway extension, and one of these was the line that would have completed the communication by rail between Sydney and Melbourne. It is much to be regretted that Parliament has not had the opportunity of giving express sanction to this work in preference to some others that have been authorized. The work made with the works already in hand is extremely dilatory. Since the close of 1871 only 110 miles have been opened for traffic. The Government has already 224 miles under construction, and the contractors ask for extensions of time on the ground that they cannot get a sufficient supply of either skilled or unskilled labour. There is no truth in these representations (which, however, is a matter of dispute), the prospect of pushing on vigorously with new lines is not very hopeful. The Government is indisposed to adopt any system for the promotion of immigration on a

32s. 6d. 3d., quarters at 5s. 3d.; other kinds of pre-cured fish for trade lines. Half sardines are 3d. dearer; sales at 8s. nominal.

FRUITS.—The upward tendency in currants mentioned last month has been fully maintained, and transactions at

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August 5 — Roderos, for Martinus, 894 tons coal.
August 11 — Dreyer, for Petropavlovsk, 338 tons coal.
August 16 — H. B. Chapman, for Batavia, 715 tons coal.
August 18 — Thompson, for Esquima, 250 tons coal.
August 21 — Republics of Argentina, for San Francisco, 2368 tons coal.

any place to my young wife and children.

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